

## EXHIBIT 2

STATE OF MICHIGAN  
IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

BANK OF AMERICA, N.A.,

Plaintiff,

Case No.

v.

RAPID METALS, LLC,

Defendant.

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**AFFIDAVIT OF DENISE DOCAL IN SUPPORT OF PLAINTIFF'S MOTION FOR A  
PRELIMINARY INJUNCTION, TEMPORARY RESTRAINING ORDER AND  
APPOINTMENT OF A RECEIVER**

STATE OF MICHIGAN     )  
                                      ) ss.:  
COUNTY OF OAKLAND    )

Denise Docal, being duly sworn, deposes and says:

1. I am a resident of the State of Georgia and a field examiner and a member and chief executive officer of D4, LLC ("D4"), which provides field examination services to asset-based lenders, including Bank of America, N.A. ("Bank of America").

2. I submit this affidavit in support of Bank of America's motion for a preliminary injunction and a temporary restraining order against, and the appointment of a receiver for, defendant Rapid Metals, LLC ("Rapid Metals"). If called upon to testify, I can testify competently to the matters set forth in this affidavit.

3. As set forth below, as a result of the field examination which I personally conducted in June and early July 2023, I have concluded that there are numerous serious and material discrepancies amounting to millions of dollars in Rapid Metals' reporting of its inventory and

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accounts receivable to Bank of America which overstated the value of Bank of America's collateral on Rapid Metals' May 31, 2023, June 9, 2023, June 16, 2023, and June 23, 2023 borrowing base reports. For example, based on test counts performed, \$1,130,037 in inventory that was nonexistent was included on the May 31, 2023, June 9, 2023 and June 16, 2023 inventory reports provided to the bank. \$2,159,836 in inventory, for which quantities of "0" were shown, was also included on the June 23, 2023 inventory reports provided to the bank. In addition, Rapid Metals' reporting of its accounts receivable to Bank of America from February 28, 2023, through June 23, 2023, includes numerous inaccuracies and discrepancies.

4. In an asset-based revolving loan, a borrower, like Rapid Metals, is entitled to borrow amounts from the bank under a collateral-based formula, referred to as the "Borrowing Base." Here, the Borrowing Base is limited to 85% of Rapid Metals' eligible accounts receivable, plus up to the lesser of 85% of the net ordinary liquidation value or 70% of the cost/value of its eligible inventory. The borrower regularly reports its collateral position, and thereby its entitlement to request loans, on a "Borrowing Base Report," listing its gross receivables and inventory, and deducting ineligible receivables and inventory.

5. My field exam testing revealed, among other things, that the Borrowing Base Reports and other collateral reporting had numerous inconsistencies which resulted in the overstatement of collateral. The overstatement included approximately \$1.1 million in inventory on the May 31, 2023, June 9, 2023 and June 16, 2023 borrowing base reports and approximately \$2.1 million on the June 23, 2023 borrowing base report.

6. Specifically, Rapid Metals' inventory in the perpetual inventories and borrowing base reports submitted to Bank of America included 34 coils with a total value of \$1,130,037 in the May 31, 2023, June 9, 2023 and June 16, 2023 perpetual inventory reports as having quantities

of zero. Inventory with zero quantities can only have zero value. These coils were all listed in the same location at Hascall Steel in Nashville, Tennessee, making it the location with the most inventory shown on those perpetual inventory reports. The total value assigned to the 34 coils with zero-quantity items of inventory shown in Rapid Metals' perpetual inventory as of May 31, 2023, June 9, 2023 and June 16, 2023 perpetual reports was \$1,130,037.

7. I also reviewed the June 23, 2023 perpetual inventory report. The value of coils with zero quantities had increased to \$2,159,836 and was spread across four locations, rather than just one location. On the June 23, 2023 inventory report, there were no coils with zero quantities in the Hascall Steel Nashville, Tennessee location. Instead, that perpetual inventory report showed four other locations with extended values and zero quantities. There were 70 coils with zero quantities with a total value of \$2,159,836 on the June 23, 2023 perpetual inventory report.

8. In addition to the inventory overstatements, Rapid Metals' reporting of its accounts receivable to Bank of America includes numerous inaccuracies and discrepancies. For example, in reviewing the accounts receivable aging reports for the February 28, 2023, March 31, 2023, April 30, 2023 and May 31, 2023, I noticed the following examples:

- (a) increased dollar value of invoices as reflected in Rapid Metals' agings from month to month (a \$23,506 invoice on the March 31, 2023 accounts receivable aging was \$223,506 on the April 30, 2023 accounts receivable aging; and a \$25,001 invoice on the February 28, 2023 and March 31, 2023 accounts receivable agings was \$125,001 on the April 30, 2023 accounts receivable aging);
- (b) re-aging of the same invoices (*i.e.*, redating the same invoice to a later date to make it appear eligible when it was actually more than 90 days old and therefore, ineligible);

- (c) re-using of the same invoice numbers for different transactions (*i.e.*, using the same invoice number in the same aging or different agings to refer to different sales of goods to different customers for different amounts); or
- (d) reporting of invoices in Rapid Metals' receivable agings that appeared to be at overstated values.

Moreover, Rapid Metals was unable to supply documentation that was sufficient to substantiate a material portion of the accounts receivable that I tested on Rapid Metals' May 31, 2023 accounts receivable aging that were sampled in an "invoice and ship test."

In addition, in reviewing the accounts receivable aging for the week ended June 23, 2023, I found 16 invoices totaling \$902,472 to three customers with duplicate invoice numbers. Each invoice has its own unique number and thus there should never be duplicate invoice numbers in an accounts receivable aging.

#### **I. MY BACKGROUND AND FIELD EXAMINATIONS IN GENERAL**

9. I have approximately 33 years of experience as a banker and performing field examinations for lenders that make asset-based loans, including Bank of America. From 1990 to 1997, I worked for Bank of America as a relationship manager and a field examiner. From 1997 to 2005, I managed the lender services practice for Moore Colson, a CPA firm in Marietta, GA. As manager of the lender services practice, I performed field exams for more than 10 banks and financial institutions and also trained Moore Colson's CPAs to perform field examinations. Since 2005, I have owned D4 and worked independently performing field exams for Bank of America and Wells Fargo Bank. I have performed asset-based lending field exams, lender finance field exams and factoring and staffing field exams on more than 250 companies in a variety of industries

over the past 18 years. The sizes of the bank credit facilities for which I have conducted field examinations have ranged from a low of less \$10 million to a high of more than \$1 billion.

10. Generally speaking, a field examination is an evaluation that is conducted by or for a bank or other asset-based lender on the collateral and “borrowing base” supporting the lender’s loans to its borrower, as well as other aspects of the borrower, so that the bank or lender can determine whether to make a loan, or to continue lending money to the borrower. During a field examination, the field examiner reviews the collateral for the loan, including, for example, inventory, accounts receivable and other assets, as well as other aspects of the borrower’s financial condition, business operations, liabilities, and compliance with loan covenants.

**II. BANK OF AMERICA’S RETENTION OF D4 TO CONDUCT A FIELD EXAMINATION OF RAPID METALS, THE SCOPE OF THE SERVICES TO BE PROVIDED BY D4, AND THE DOCUMENTS AND INFORMATION RECEIVED BY D4**

11. In mid-June 2023, Bank of America engaged D4 to conduct a field examination of one of its borrowers, Rapid Metals, which has an asset-based loan from Bank of America. From mid-June through early July 2023, D4 conducted a field examination of Rapid Metals for the period from February 1, 2023, through June 23, 2023. The purpose of D4’s field examination with respect to Rapid Metals was to perform specific tests as designated in the Bank of America field examination template. These tests are on accounts receivable and inventory as well as accounts payable and cash. At all times, I have been solely responsible for the examination conducted by D4 within the scope of that engagement. I conducted or supervised all of the work on that field examination, other than a few instances described below in which Bank of America retained individuals in another state to conduct onsite testing of inventory.

12. I have learned that Rapid Metals is a limited liability company based in West Bloomfield, Michigan, that sources and resells hot-rolled, cold-rolled, treated and scrap metals,

including primarily steel but also aluminum (collectively referred to herein as “coils”) to third parties that use them in other products. Dan Butler, whom I understand is the managing member of Rapid Metals, was my sole contact at Rapid Metals for providing the information needed to perform the field examination. He stated that he would be the only person providing information for the examination. Rapid Metals does not have a chief financial officer or a controller. Consequently, Mr. Butler handles Rapid Metals’ accounts receivable, inventory, accounts payable and the accounting functions.

13. On or about November 9, 2022, Bank of America, as lender, and Rapid Metals, as borrower, entered into a Loan and Security Agreement dated as of November 9, 2022 (the “Loan Agreement”), in which Bank of America agreed to make a revolving asset-based loan to Rapid Metals (collectively, the “Loan”). Since that time, Bank of America has made advances and extended credit to Rapid Metals under the Loan Agreement.

14. Under the Loan Agreement, Rapid Metals is required to provide the following documents to Bank of America by the 15th day of each month, or weekly following a default<sup>1</sup>:

- a “Borrowing Base Report” (each a “BBR” and, collectively, the “BBRs”) certified by Rapid Metals, providing, among other things, accurate calculations and breakdowns of Rapid Metals’ inventory and accounts receivable as of the close of business on the last day of the previous month;
- a detailed aged trial balance for all accounts receivable as of the end of the preceding month, together with back-up documentation requested by Bank of America;
- a monthly roll forward report of all accounts receivable from the previous month; and

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<sup>1</sup> Through May 31, 2023, Rapid Metals was on monthly reporting.

- inventory reports, generally submitted in the form of a “perpetual inventory,” together with inventory reconciliation reports.

15. Rapid Metals is required to provide other documentation and information to Bank of America periodically at other times, including, for example, financial statements and “Compliance Certificates,” and to comply with requests by Bank of America for documentation and information permitted under the Loan Agreement.

16. In connection with my field examination of Rapid Metals, Jang Kim of Bank of America provided me with the “Month-End Borrowing Base Report” and supporting files for each of the four the months ended February 28, 2023, through May 31, 2023.

17. Each month-end borrowing base submission includes a BBR and the same types of supporting schedules. By way of illustration, the May 2023 Borrowing Base Report included the following documents:

- a file entitled “May 23 AP.xlsx,” consisting of an Accounts Payable by Vendor aging;
- a file entitled “May 23 AR Rollover Report.pdf” that rolls forward accounts receivable from the prior BBR;
- a file entitled “May 23 AR.xlsx,” consisting of Detailed Accounts Receivable aging by customer by invoice and includes the date of each invoice and the invoice amount;
- a file entitled “May 23 BBR Worksheet BOA New Deal.xlsx,” consisting of the calculation of Borrowing Base availability based on gross accounts receivable, less ineligible accounts receivable at the approved advance rate, plus gross inventory at the approved advance rate, less the outstanding line of credit balance to calculate the amount of money Rapid Metals has available to borrow on its Loan;

- a file entitled “May 23 Inv by Product Category.xlsx,” consisting of a “Summary of inventory by type: Hot Rolled coils, Cold Rolled coils, Coated coils,” which was provided because the inventory advance rates are different for each type of coil; and
- a file entitled “May 23 Inv.xlsx,” consisting of a “Detailed inventory by location by coil tag number,” which includes the weight, length, gauge, quantity on hand and cost of each coil at each location.

18. Because Rapid Metals was in default and Bank of America sent a notice of default on June 12, 2023, beginning for the week ending on June 9, 2023 Rapid Metals was also required to provide weekly BBRs. The weekly BBRs included all of the files set forth above, except the Accounts Payable aging, which is only required at month end.

19. Mr. Kim also provided me with two weekly BBRs as of June 9, 2023, and June 16, 2023, and supporting files. Mr. Butler copied me on his email to Jang Kim for the submission of the June 23, 2023 Weekly BBR and supporting files.

### **III. D4’S EXAMINATION OF ACCOUNTS RECEIVABLE**

20. As part of my field examination conducted for Bank of America, I analyzed the four month-end accounts receivable agings submitted by Rapid Metals to Bank of America as of February 28, 2023, through May 31, 2023, and the week-end June 23, 2023 accounts receivable aging as of June 23, 2023. In connection with that review, I noted the following discrepancies:

#### **A. Re-Aged Invoices**

21. Under the Loan Agreement, receivables only qualify as “Eligible Receivables” which can be included as eligible collateral in Rapid Metals’ “Borrowing Base,” if they are not “unpaid for more than 60 days after the original due date, or more than 90 days after the original invoice date.”



22. One of the procedures that I conducted was to compare the accounts receivable agings for month-end February 2023 and March 2023 to each other. This procedure revealed the re-aging of 29 invoices in the February 28, 2023 accounts receivable aging report that were 60 to 90 days old. These same invoices were less than 30 days old on the March aging as 90 to 120 days had been added to the original invoice dates.

23. The February 28, 2023 accounts receivable aging submitted by Rapid Metals included 29 invoices with invoice dates ranging from November 9, 2022, through December 29, 2022, which totaled \$458,773, and were re-aged in the March 31, 2023 receivable aging submitted to Bank of America. If 90 to 120 days had not been added to these invoices' dates in the accounts receivable aging (for example, changing the December 9, 2022 invoice date to March 9, 2023), these invoices would have been more than 90 days old on March 31, 2023, making them ineligible for inclusion as eligible accounts receivable in the March 31, 2023 BBR. By re-aging these accounts receivable, \$458,773 was added to the accounts receivable collateral supporting the Loan in the March 31, 2023 "Borrowing Base Report" under the Loan Agreement.

24. As another example, invoice number 7153545 listed in the February 28, 2023 aging report had an invoice date of November 9, 2022. That invoice had a balance of \$14,570.49 and was more than 90 days old. However, in the following aging report, dated March 31, 2023, the invoice was dated March 9, 2023, with the same outstanding balance.

25. Five other examples of re-aged invoices are shown below:

AR Aging date	Invoice #	Invoice Date	1 - 30	31 - 60	61 - 90	Over 90	Total	Customer
3/31/2023	7153956	3/09/2023	28,152	-	-	-	28,152	MAC CORPORATION
2/28/2023	7153956	12/09/2022	-	-	28,152	-	28,152	MAC CORPORATION
3/31/2023	7154058	3/20/2023	25,469	-	-	-	25,469	MAC CORPORATION
2/28/2023	7154058	12/20/2022	-	-	25,469	-	25,469	MAC CORPORATION
3/31/2023	7153969	3/09/2023	24,633	-	-	-	24,633	MAC CORPORATION
2/28/2023	7153969	12/09/2022	-	-	24,633	-	24,633	MAC CORPORATION
3/31/2023	7154085	3/22/2023	22,285	-	-	-	22,285	MAC CORPORATION
2/28/2023	7154085	12/22/2022	-	-	22,285	-	22,285	MAC CORPORATION
3/31/2023	7153989	3/12/2023	15,728	-	-	-	15,728	MAC CORPORATION
2/28/2023	7153989	12/12/2022	-	-	15,728	-	15,728	MAC CORPORATION

**B. Increased Dollar Value of Invoices**

26. Between February 1, 2023 and May 31, 2023, the values of 28 invoices appear to have been altered, primarily by increasing their value from one month to the next. In some cases, their value was decreased while most others were increased. In general, the invoices were altered by multiples of \$10,000.

27. For example, invoice number 7153775 was on the February 28, 2023 aging dated November 28, 2022 to Mac Corporation in the amount of \$3,985. On the March 31, 2023 accounts receivable aging this invoice had been increased by \$50,000 to \$53,985 and the invoice date was changed to March 28, 2023. The invoice was no more than 90 days old (and was therefore not “Ineligible”), and was valued at an additional \$50,000 in the March 31, 2023 BBR submitted to the bank.

28. Invoice number 7154786 to Mac Corporation, dated February 16, 2023, was for \$7,130 on the February 28, 2023 accounts receivable aging. The invoice had been increased to \$57,130, on the March 31, 2023 accounts receivable aging. On the April 30, 2023 accounts receivable aging, the invoice was decreased by \$50,000 to its original value of \$7,130. The invoice was presumably paid by Mac Corporation sometime in April 30, 2023, at the actual amount of \$7,130. This invoice is not in the May 31, 2023 accounts receivable aging.

29. On the February 28, 2023 accounts receivable aging, invoice number 7154620, dated February 7, 2023, to Valiant Steel & Equipment, was for \$16,961. This invoice had been increased by \$40,000, to \$56,961, on the March 31, 2023 accounts receivable aging. The invoice had been increased to \$126,961, on the April 30, 2023 accounts receivable aging. The total increase to this invoice was \$110,000.

30. The March 31, 2023 accounts receivable aging listed invoice number 7155310, dated March 21, 2023 to Harvard Steel Sales, was for \$23,506. On the April 30, 2023 accounts receivable aging the invoice was increased by \$200,000, to \$223,506. This invoice was still outstanding on the May 31, 2023 accounts receivable aging.

31. The following is an example of an increase and reduction of the same invoice:

- (a) In the January 31, 2023 Aging Report, invoice number 7154574 was valued at \$31,832.37.
- (b) In the February 28, 2023 Aging Report, the same invoice was valued at \$131,832.37.
- (c) On the March 31, 2023 Aging Report, the invoice remained at \$131,832.37.
- (d) On the April 30, 2023 Aging Report, the invoice was reduced by \$100,000 to its original value of \$31,832.37.
- (e) The invoice was not on the May 31, 2023 aging and had presumably been paid.

32. A sample of five invoices is illustrated below:

Aging date	Invoice #	Invoice Date	1 - 30	31 - 60	61 - 90	Over 90	Total	\$ Increase	Customer
3/31/2023	7153775	3/28/2023	53,986	-	-	-	53,986	50,000	MAC CORPORATION
2/28/2023	7153775	11/28/2022	-	-	-	3,986	3,986		MAC CORPORATION
4/30/2023	7154786	2/16/2023	-	-	7,130	-	7,130	(50,000)	MAC CORPORATION
3/31/2023	7154786	2/16/2023	-	57,130	-	-	57,130	50,000	MAC CORPORATION
2/28/2023	7154786	2/16/2023	7,130	-	-	-	7,130		MAC CORPORATION
4/30/2023	7154620	2/07/2023	-	-	126,961	-	126,961	70,000	VALIANT STEEL & EQUIPMENT
3/31/2023	7154620	2/07/2023	-	56,961	-	-	56,961	40,000	VALIANT STEEL & EQUIPMENT
2/28/2023	7154620	2/07/2023	16,961	-	-	-	16,961		VALIANT STEEL & EQUIPMENT
4/30/2023	7154777	2/16/2023	-	-	125,001	-	125,001	100,000	VALIANT STEEL & EQUIPMENT
3/31/2023	7154777	2/16/2023	-	25,001	-	-	25,001		VALIANT STEEL & EQUIPMENT
2/28/2023	7154777	2/16/2023	25,001	-	-	-	25,001		VALIANT STEEL & EQUIPMENT
5/31/2023	7155310	3/21/2023	-	-	223,506	-	223,506		HARVARD STEEL SALES
4/30/2023	7155310	3/21/2023	-	223,506	-	-	223,506	200,000	HARVARD STEEL SALES
3/31/2023	7155310	3/21/2023	23,506	-	-	-	23,506		HARVARD STEEL SALES

33. The chart set forth below includes all of the amounts which were increased and/or decreased in the agings:

Date of Aging Submitted to Bank of America	Invoice Number	Date of Invoice	Invoice Amount	Change
4/30/23	7154579	1/31/2023	\$31,525.51	(\$100,000.00)
3/31/23	7154579	1/31/2023	\$131,525.51	\$0.00
2/28/23	7154579	1/31/2023	\$131,525.51	\$100,000.00
1/31/23	7154579	1/31/2023	\$31,525.51	
4/30/23	7154574	1/31/2023	\$31,832.37	(\$100,000.00)
3/31/23	7154574	1/31/2023	\$131,832.37	
2/28/23	7154574	1/31/2023	\$131,832.37	\$100,000.00
1/31/23	7154574	1/31/2023	\$31,832.37	
2/28/23	7154536	1/31/2023	\$36,855.66	(\$100,000.00)
1/31/23	7154536	1/31/2023	\$136,855.66	
2/28/23	7154537	1/31/2023	\$36,863.84	(\$100,000.00)
1/31/23	7154537	1/31/2023	\$136,863.84	
3/31/23	7153775	3/28/2023	\$53,985.50	\$50,000.00
2/28/23	7153775	11/28/2022	\$3,985.50	

3/31/23	7154341	1/19/2023	\$41,308.00	\$40,000.00
2/28/23	7154341	1/19/2023	\$1,308.00	
4/30/23	7154509	1/31/2023	\$31,518.50	\$20,000.00
3/31/23	7154509	1/31/2023	\$11,518.50	
2/28/23	7154509	1/31/2023	\$11,518.50	
4/30/23	7154506	1/31/2023	\$30,443.50	\$20,000.00
3/31/23	7154506	1/31/2023	\$10,443.50	
2/28/23	7154506	1/31/2023	\$10,443.50	
4/30/23	7154540	1/31/2023	\$34,857.92	\$20,000.00
3/31/23	7154540	1/31/2023	\$14,857.92	
2/28/23	7154540	1/31/2023	\$14,857.92	
4/30/23	7154576	1/31/2023	\$45,145.20	\$30,000.00
3/31/23	7154576	1/31/2023	\$15,145.20	
2/28/23	7154576	1/31/2023	\$15,145.20	
4/30/23	7154577	1/31/2023	\$43,769.60	\$30,000.00
3/31/23	7154577	1/31/2023	\$13,769.60	
2/28/23	7154577	1/31/2023	\$13,769.60	
4/30/23	7154620	2/07/2023	\$126,960.80	\$70,000.00
3/31/23	7154620	2/07/2023	\$56,960.80	\$40,000.00
2/28/23	7154620	2/07/2023	\$16,960.80	
4/30/23	7154761	2/15/2023	\$123,710.20	\$100,000.00
3/31/23	7154761	2/15/2023	\$23,710.20	
2/28/23	7154761	2/15/2023	\$23,710.20	
4/30/23	7154777	2/16/2023	\$125,000.80	\$100,000.00
3/31/23	7154777	2/16/2023	\$25,000.80	
2/28/23	7154777	2/16/2023	\$25,000.80	
4/30/23	7154786	2/16/2023	\$7,129.65	(\$50,000.00)
3/31/23	7154786	2/16/2023	\$57,129.65	\$50,000.00
2/28/23	7154786	2/16/2023	\$7,129.65	
4/30/23	7154814	2/20/2023	\$130,331.57	\$100,000.00
3/31/23	7154814	2/20/2023	\$30,331.57	
2/28/23	7154814	2/20/2023	\$30,331.57	
4/30/23	7154837	2/21/2023	\$130,338.94	\$100,000.00
3/31/23	7154837	2/21/2023	\$30,338.94	
2/28/23	7154837	2/21/2023	\$30,338.94	

4/30/23	7154843	2/21/2023	\$47,293.82	\$47,293.82
4/30/23	7154843	2/21/2023	\$129,971.20	
3/31/23	7154843	2/21/2023	\$47,293.82	
3/31/23	7154843	2/21/2023	\$129,971.20	
2/28/23	7154843	2/21/2023	\$129,971.20	
5/31/23	7155094	3/08/2023	\$29,545.75	
4/30/23	7155094	3/08/2023	\$29,545.75	
3/31/23	7155094	3/08/2023	\$129,545.75	
5/31/23	7155310	3/21/2023	\$223,506.20	
4/30/23	7155310	3/21/2023	\$223,506.20	\$200,000.00
3/31/23	7155310	3/21/2023	\$23,506.20	
5/31/23	7155434	3/27/2023	\$118,938.50	
4/30/23	7155434	3/27/2023	\$118,938.50	\$99,594.71
3/31/23	7155434	3/27/2023	\$19,343.79	
3/31/23	7154170	1/05/2023	\$44,429.28	\$40,000.00
2/28/23	7154170	1/05/2023	\$4,429.28	
3/31/23	7154341	1/19/2023	\$41,308.00	\$40,000.00
2/28/23	7154341	1/19/2023	\$1,308.00	
3/31/23	7154360	1/20/2023	\$52,567.40	\$50,000.00
2/28/23	7154360	1/20/2023	\$2,567.40	
4/30/23	7154486	1/30/2023	\$22,505.30	
3/31/23	7154486	1/30/2023	\$22,505.30	
2/28/23	7154486	1/30/2023	\$122,505.30	\$100,000.00
1/31/23	7154486	1/30/2023	\$22,505.30	
4/30/23	7154487	1/30/2023	\$22,505.30	
3/31/23	7154487	1/30/2023	\$22,505.30	
2/28/23	7154487	1/30/2023	\$122,505.30	\$100,000.00
1/31/23	7154487	1/30/2023	\$22,505.30	
4/30/23	7154544	1/31/2023	\$30,144.75	\$20,000.00
3/31/23	7154544	1/31/2023	\$10,144.75	
2/28/23	7154544	1/31/2023	\$10,144.75	
4/30/23	7154540	1/31/2023	\$34,857.92	\$20,000.00
3/31/23	7154540	1/31/2023	\$14,857.92	
2/28/23	7154540	1/31/2023	\$14,857.92	

34. As numerous invoices had been adjusted up or down, it was not possible to determine the impact on collateral availability each month.

**C. Invoices in Rapid Metals' Accounts Receivable Agings that Appeared to be at Overstated Values**

35. A sample of 15 invoices, together with their stated sales dollars per ton and stated steel cost per ton, is shown below:

Invoice Number	InvoiceDate	Customer Name	# of Tons	Invoice Receivable	Steel Cost	Sales \$ Per Ton	Steel Cost \$ Per Ton
7155069	3/07/2023	VALIANT STEEL & EQUIPMENT	21	127,506	116,080	6,026	5,486
7155103	3/08/2023	HIGHWAY SAFETY CORP.	18	114,041	118,531	6,417	6,669
7155188	3/13/2023	HIGHWAY SAFETY CORP.	18	114,015	108,516	6,427	6,117
7155310	3/21/2023	HARVARD STEEL SALES	22	223,506	212,624	10,269	9,769
7155324	3/21/2023	MIDDLEVILLE TOOL & DIE CO	15	124,209	110,598	8,204	7,305
7155543	4/03/2023	GRIFFON STEEL CORP	24	223,134	213,233	9,443	9,024
7155672	4/13/2023	HIGHWAY SAFETY CORP.	18	117,760	107,794	6,560	6,005
7155919	4/26/2023	ESSEX WELD SOLUTIONS	13	111,141	105,831	8,769	8,350
7155926	4/27/2023	HAYDON CORPOATION	20	123,486	115,936	6,199	5,820
7155936	4/27/2023	HAYDON CORPOATION	21	124,819	116,043	6,030	5,606
7155939	4/27/2023	HAYDON CORPOATION	20	124,358	115,744	6,121	5,697
7155944	4/27/2023	HAYDON CORPOATION	21	124,984	116,149	5,998	5,574
7156030	5/05/2023	HARVARD STEEL SALES	24	222,711	218,393	9,120	8,943
7156084	5/10/2023	HARVARD STEEL SALES	24	221,776	213,492	9,370	9,020
7156342	5/31/2023	ALLEGHENY STEEL	21	221,079	220,235	10,478	10,438

36. To determine whether the amount of an invoice in the accounts receivable aging appeared to be overstated, I used the "Gross Margin Report" covering the period from January 1, 2023 through May 31, 2023, provided by Dan Butler on June 22, 2023. This report detailed the number of tons of steel sold on each invoice, the invoice receivable, and the cost of the steel, and I calculated the sales dollars per ton and steel cost per ton as shown above.

37. Rapid Metals' selling price on more than 2,100 invoices from February 1, 2023 through May 31, 2023, which did not appear to be overstated averaged less than \$1,200 per ton, while its cost per ton shown on the same 2,100 invoices averaged less than \$1,000 per ton, which

is in line with steel prices. However, Rapid Metals' selling price and cost per ton for the 15 invoices in the above table were six to ten times higher.

38. Consequently, I adjusted the invoice receivable and steel cost to reflect what I believe represents the actual selling price and cost, as shown below, for the same 15 invoices:

Invoice Number	Customer Name	# of Tons	Invoice Receivable	Examiner Calculations				
				Overstated Receivable \$ per Examiner	Invoice Receivable Adj	Steel Cost Adj	Sales \$ Per Ton Adj	Steel Cost \$ Per Ton Adj
7155069	VALIANT STEEL & EQUIPMENT	21	127,506	100,000	27,506	16,080	1,300	760
7155103	HIGHWAY SAFETY CORP.	18	114,041	100,000	14,041	18,531	790	1,043
7155188	HIGHWAY SAFETY CORP.	18	114,015	100,000	14,015	8,516	790	480
7155310	HARVARD STEEL SALES	22	223,506	200,000	23,506	12,624	1,080	580
7155324	MIDDLEVILLE TOOL & DIE CO	15	124,209	100,000	24,209	10,598	1,599	700
7155543	GRIFFON STEEL CORP	24	223,134	200,000	23,134	13,233	979	560
7155672	HIGHWAY SAFETY CORP.	18	117,760	100,000	17,760	7,794	989	434
7155919	ESSEX WELD SOLUTIONS	13	111,141	100,000	11,141	5,831	879	460
7155926	HAYDON CORPOATION	20	123,486	100,000	23,486	15,936	1,179	800
7155936	HAYDON CORPOATION	21	124,819	100,000	24,819	16,043	1,199	775
7155939	HAYDON CORPOATION	20	124,358	100,000	24,358	15,744	1,199	775
7155944	HAYDON CORPOATION	21	124,984	100,000	24,984	16,149	1,199	775
7156030	HARVARD STEEL SALES	24	222,711	200,000	22,711	18,393	930	753
7156084	HARVARD STEEL SALES	24	221,776	200,000	21,776	13,492	920	570
7156342	ALLEGHENY STEEL	21	221,079	200,000	21,079	20,235	999	959

39. I reduced the receivable and steel cost by between \$100,000 to \$200,000 to compute what I believe to be the actual cost of these invoices. The adjusted sales dollars per ton averaged \$1,069 and the adjusted steel cost per ton averaged \$695 for these 15 invoices, which is in line with the average costs for invoices that did not appear to be overstated.

40. Using the same process, I determined that there were 61 invoices from February 1, 2023, through May 31, 2023, on which the value of the receivable appeared to be overstated by \$50,000 to \$200,000. The total overstatement for these invoices was \$6,020,000.

41. In addition, other invoices on the May 31, 2023 accounts receivable aging appeared to be overstated by less than \$50,000. If these amounts were also adjusted in the same manner, the full extent of the dollar amount of the overstated invoices from February 1, 2023, through May 31, 2023, would be greater than \$6,020,000.



42. There were also several instances of the cost per ton of steel in the Gross Margin Report remained at what appeared to be the actual cost for particular invoices while the receivable (selling price) at which the gross margin report claimed the steel was sold appeared to be overstated. Thus, for these invoices, there was a proportionally larger difference between the steel cost and sale price than for other invoices.

43. As an example, invoice number 7154487, dated January 30, 2023 to Valiant Steel & Equipment Inc., included a receivable of \$122,505 and a steel cost of \$15,787 in the Gross Margin Report provided. The equates to a sales price per ton value of \$7,294 per ton, while the steel cost was \$940 per ton. Similarly, invoice number 7154579, dated January 31, 2023 to Valiant Steel & Equipment Inc., included a receivable of \$130,595 and a steel cost of \$19,739. This equates to a sales price per ton of \$5,591 and a steel cost per ton of \$839, which also does not appear to be reasonable.

**D. Re-Use of the Same Invoice Number for Different Sales**

44. In examining Rapid Metals' accounts receivable aging reports for the months ended from February 28, 2023, through May 31, 2023, I found several instances in which Rapid Metals used the same invoice number for two different sales to different customers in the accounts receivable aging reports. For example:

- (a) Invoice number 7156288 was included twice on Rapid Metals' May 31, 2023 accounts receivable aging report. One invoice with that number dated May 24, 2023, with an amount due of \$4,005.75, was to MBA Building Supplies. The May 31, 2023 accounts receivable aging had that same invoice number a second time with an amount due of \$112,001.58 from Venture Steel Inc.
- (b) Invoice number 7156289 was referred to twice on Rapid Metals' May 31, 2023 accounts receivables aging report for different sales to different customers. That

report included one invoice with that invoice number with an invoice date of May 24, 2023, with an amount due of \$21,379.12 from Accurate Perforating Company. That report also included a second entry with the same invoice number, showing an invoice date of May 31, 2023 with an amount due of \$106,200.27 from Venture Steel Inc.

- (c) Invoice number 7165858 was referred to for two entirely separate transactions on Rapid Metals' accounts receivable aging reports. That number first appeared on Rapid Metals' accounts receivable aging report as of February 28, 2023, for an invoice dated February 16, 2023, with an amount due of \$35,585.25 for an order from Shur Lok Products. The same invoice number was later repeated on Rapid Metals' accounts receivable aging report as of May 31, 2023, for an invoice dated May 1, 2023, with an amount due from MAC Corporation totaling \$14,050.67.

**E. Duplicate Invoices in the Accounts Receivable Aging as of June 23, 2023**

45. In the June 23, 2023 accounts receivable aging, I found 16 invoices totaling \$902,472 to three customers with duplicate invoice numbers. Accounts receivable agings should not contain duplicate invoice numbers for different invoice amounts.

**F. The Invoice and Shipping Test**

46. As part of my field examination, on June 28, 2023, I performed an invoice and shipping test. An invoice and shipping test is customarily used in asset-based lending examinations.

47. On June 22, 2023, I provided Mr. Butler with a list of 25 invoices totaling \$3,439,806 which I had designated would be subject to the invoice and shipping test. This amounted to 19.6% of the total accounts receivable listed on the accounts receivable aging for the month ended May 31, 2023. I requested the following documentation for each of those invoices:

- (a) Customer Invoice;
- (b) Proof of shipment that the product that Rapid Metals sold to the customer was shipped to that customer; and
- (c) Proof of Payment, if the invoice has been subsequently paid. Proof of payment includes a copy of the customer's check or ACH that paid the invoice along with the customer's remittance advice showing which invoices had been paid with the payment.

48. I provided this list to Mr. Butler because he told me that he was the only person at Rapid Metals who could provide any information needed for the field examination. Rapid Metals does not have a chief financial officer or controller and Mr. Butler handles Rapid Metals' accounts receivable, inventory, accounts payable and the accounting functions.

49. As of June 30, 2023, Mr. Butler had provided some of the documents requested above for only fifteen (15) of the twenty-five (25) invoices selected for testing. Moreover, the invoices and supporting documents which he provided were not considered adequate to show that Rapid Metals had shipped steel coils to their customers at the invoice amount on the May 31, 2023 accounts receivable aging.

50. For example, the material provided by Mr. Butler for five of the invoices selected for testing is described below:

- (a) **Invoice Number 7155919**, dated April 26, 2023, to Essex Weld Solutions for \$111,141.35, was for a shipment of eight coils weighing 40,280 pounds at a price of \$275 per CWT (price per hundred pounds) or \$2.75 per pound. Sales price per ton equals price per pound multiplied by \$2,000. Consequently, the selling price per ton was \$5,500. As discussed above, Rapid Metals' selling price for steel averaged less than \$1,200 per ton this year. As a result, this does not appear to be the invoice that was sent to Essex Weld Solutions.

The "Bill of Lading" provided lists only Rapid Metals and not Essex Weld as the customer to ship the coils to. In addition, the bill of lading for this shipment is dated March 21, 2023 and the invoice was dated April 26, 2023, which would mean that Rapid Metals delayed billing Essex Weld for 35 days, which is also not likely since invoices are usually generated on the same day as the shipment or the following day. Instead, this appears to be the bill of lading for product purchased

by Rapid Metals and shipped to its vendor, FerrouSouth, a steel processor used by Rapid Metals.

Copies of those documents are attached hereto as Exhibit A.

- (b) **Invoice Number 7155920**, dated April 26, 2023, to Essex Weld Solutions for \$135,140.30, was for the shipment of 79,955 lbs. of coils at a price of \$1.65 per CWT or \$0.0165 per pound. The sales price per ton would be \$33.00 per ton. Based on this, the invoice should have totaled \$1,319, not \$135,140. The weight multiplied by the price per CWT on the face of the invoice was incorrect and did not add to the total. As a result, this also does not appear to be the invoice that was sent to Essex Weld Solutions.

The bill of lading, dated April 5, 2023, indicated that the product should be "Ship[ed] To" Rapid Metals, was for 60,195 pounds, not 79,995 pounds, and was invoiced to Essex Weld.

Copies of those documents are attached hereto as Exhibit B.

- (c) **Invoice Number 7155584**, dated April 5, 2023, to Miami Valley Steel, was for \$103,870.99 and was for the shipment of four coils weighing 179,420 lbs. The document dated April 13, 2023, to show the product was shipped to Miami Valley Steel, was for two of the four coils, and listed Rapid Metals as the party the product was "Sold To" and "Ship[ped] To." Moreover, this document does not reference any transportation company and is not a bill of lading. The document is also dated eight days after the invoice was generated. Copies of those documents are attached hereto as Exhibit C.
- (d) **Invoice Number 7155344**, dated March 22, 2023, to Universal Metals for \$282,947.66 was for the shipment of ten coils weighing 449,480 pounds. The invoice amount according the May 31, 2023 accounts receivable aging was \$283,997.66. The amount shown on the invoice was the invoice amount in the March 31, 2023 and April 30, 2023 agings. The invoice was increased in May by \$1,050.

The four-page document dated March 21, 2023, to show proof of shipment to Universal Metals is a certification of the coils by Mill Steel Company for the 10 coils. However, the certificate shows the product was "Ordered By" Rapid Metals on all four pages. The "Ship To" party on page 1 of the document is Universal Metals, LLC in Toledo, OH. The "Ship To" party on pages 2-4 is Capacity Warehouse, a steel processor in Melvindale, Michigan used by Rapid Metals. In my experience, it is unlikely that there would be a different "Ship To" party on the same document.

Copies of those documents are attached hereto as Exhibit D.

- (e) **Invoice Number 7155943**, dated April 27, 2023, to Venture Steel Detroit for \$135,831.15, was for the shipment of 5 coils weighing 232,190 pounds. Dan Butler provided three documents dated April 27, 2023 from Alpine Steel, a steel processor used by Rapid Metals. The “Ship To” party on all three documents is for Rapid Metals, not Venture Steel Detroit. These documents are not proof of shipment of 5 coils to Venture Steel Detroit. Copies of those documents are attached hereto as Exhibit E.

51. The proof of shipment documents for these five invoices as a part of the the “invoice and shipping test” were not considered adequate proof that Rapid Metals had shipped to the customers the products that had been invoiced by Rapid Metals.

#### **IV. OVERSTATEMENTS OF THE VALUE OF INVENTORY**

52. As part of my field examination, I reviewed and attempted to verify the quantities and values of the inventory reported in the BBRs and perpetual inventories submitted to Bank of America. For example, I reviewed the perpetual inventory reports dated as of April 30, 2023, May 31, 2023, June 9, 2023, June 16, 2023, and June 23, 2023 (respectively, the “April 30, 2023 Perpetual Inventory,” the “May 31, 2023 Perpetual Inventory,” the “June 9, 2023 Perpetual Inventory,” the “June 16, 2023 Perpetual Inventory,” and the “June 23, 2023 Perpetual Inventory,” collectively, the “Perpetual Inventories”). As a result of that examination, I found numerous discrepancies in the Perpetual Inventories.

##### **B. The May 31, 2023 Perpetual Inventory**

53. Rapid Metals maintains a perpetual inventory report. The perpetual inventory reports I reviewed listed each coil by tag number (a specific identifier), cost of each coil, the facility where the coil is located at the quantity and other coils specifications. i. As each coils has its own tag number, each coil should have a quantity of 1 in the perpetual report.

54. In the perpetual inventories I reviewed, I found numerous items of inventory that had zero quantities assigned to them. These coils should also have a value of zero dollars or should

not be included in the inventory reports at all. The coils with zero quantities contained values that were included in the total value of inventory.

55. I was provided a copy of the May 31, 2023 Perpetual Inventory. Rapid Metals' inventory is located at the places of business of more than 80 third-party steel (or aluminum) processors throughout the United States. I have been informed that Rapid Metals does not own or lease any of those facilities. Instead, it purchases steel or aluminum and has it processed (slit, galvanized, etc.) to a customer's specifications by those metals processors at their places of business. Those third-party processors store Rapid Metals' steel coils both before and after they do the processing for Rapid Metals.

56. In reviewing the inventory listed on the May 31, 2023 Perpetual Inventory, I could not tie out the inventory for each individual location to the total report. The difference was in the Hascall Steel Company's Nashville, Tennessee, location (referred to as "HASNA" on the Perpetual Inventories). The May 31, 2023 Perpetual Inventory listed 34 coils for which it showed quantities of "0," but it included dollar values for each of those coils inventory in the totals. The total value listed for the 34 coils was \$1,130,037, and that amount was added to Rapid Metals' inventory collateral in the BBRs as of May 31, 2023.

57. Ten of those coils are listed below. ("No Pcs" refers to the Number of Pieces, or coils, in this facility.)

Mill Tag	Location	Tag No	Weight	Value	Width	No Pcs	Gage	Product
1333885	HASNA	211588	42,700.00	\$ 32,636.98	60.00	0	0.064	GALV
1333890	HASNA	211595	42,450.00	\$ 32,111.77	60.00	0	0.064	GALV
1333850	HASNA	211596	42,100.00	\$ 34,321.23	60.00	0	0.079	GALV
1333855	HASNA	211597	40,100.00	\$ 35,000.66	60.00	0	0.079	GALV
1333860	HASNA	211598	41,000.00	\$ 31,478.69	60.00	0	0.079	GALV
1333861	HASNA	211599	42,070.00	\$ 31,601.23	60.00	0	0.064	GALV
1333856	HASNA	211560	40,100.00	\$ 32,688.96	60.00	0	0.064	GALV
1333871	HASNA	211566	42,050.00	\$ 30,412.36	60.00	0	0.064	GALV
1333388	HASNA	211570	42,350.00	\$ 31,111.88	60.00	0	0.079	GALV
1333390	HASNA	211577	49,885.00	\$ 31,741.25	60.00	0	0.079	GALV

58. The addition of the 34 coils listed with quantities of zero made HASNA the largest inventory location, with \$1,839,514 in total inventory as of May 31, 2023.

59. The \$1,130,037 in coils with zero quantities was included as eligible inventory in the May 31, 2023 BBR provided to the bank, which had the effect of increasing the amount of available inventory collateral in the "Borrowing Base" under the Loan Agreement and increasing the amount Rapid Metals could borrow under the Loan Agreement.

60. On the morning of Tuesday, June 27, 2023 (approximately 8:30 am), I informed Mr. Butler that we would be conducting a "test count" of the inventory at HASNA one day the following week (July 5, 2023, to July 7, 2023), as that was when a field examiner was available in Nashville. Mr. Butler asked me whether I could instead count inventory at a facility in Detroit, so that he could send his representative to assist me in the counts. I told him that I would be happy to perform a test count with his representative in Detroit, but that the bank would be conducting the test counts in Nashville because it had Rapid Metals' largest concentration of inventory as of May 31, 2023. He responded that under those circumstances I did not need to count inventory in Detroit. I told Mr. Butler that I needed to have contact information at Hascall Steel Company in Nashville for the facility manager: name, phone number, email address. Mr. Butler stated that he would provide this information to me.

61. After speaking with Mr. Butler, I emailed Amy Garner at the Jabez Group on June 27, 2023, at 8:38 a.m. In that email, I provided her with the address for the facility and told her that I was waiting for Mr. Butler to provide me with a contact at the facility.

62. On June 27, 2023, at 3:28 p.m., I emailed Mr. Butler again, with copies to Amy Garner at Jabez and Jang Kim, Steve Siravo and Tom Shearin at Bank of America, requesting a contact at the Nashville, Tennessee, facility for the test counts.

63. On June 27, 2023, at 3:37 p.m. on June 27, 2023, Mr. Butler sent me an email stating: "yes trying to see who all will be there. Super short notice and a holiday week."

64. When we perform test counts, we normally schedule test them for the week that we contact the facility or the following week at the latest. However, Mr. Butler failed to provide the contact information for the Nashville facility.

65. On Friday, June 30, 2023, at the bank's request, Kurt Kalliomaa of KC Kallio, LLC, conducted test counts at Hascall Steel Company's Nashville facility on Friday, June 30, 2023. I provided Mr. Kalliomaa with the list of 34 coils with zero quantities as a part of the coils to be counted. He called me after completing the test counts to let me know that none of those 34 coils were at the facility.

66. In an email I received from Mr. Kalliomaa email on July 2, 2023, he stated:

Management (at HASNA) advised that the coils were not in the possession of Hascall-Nashville. A review of random mill tags relating to these 34 coils was performed by plant manager Rob Carahan, *indicating many were never in possession of Hascall-Nashville. While some were in Hascall's possession at one time, that was 1½ to 2 years prior. Mr. Carahan confirmed none had been on site in Nashville over the past 1½ to 2 years.* [Emphasis added].

67. A copy of that email is attached hereto as Exhibit F.



**C. The June 23, 2023 Perpetual Inventory**

68. Dan Butler submitted a weekly BBR report for the week ended June 23, 2023, together with the supporting files to Jang Kim at 7:22 p.m. on June 27, 2023. I was copied on that email.

69. I reviewed the June 23, 2023 Perpetual Inventory that was submitted with, and was incorporated into the weekly BBC as of June 23, 2023. I was again unable to reconcile the totals per location to the total report.

70. In the June 23, 2023 Perpetual Inventory, the 34 coils with zero quantities and \$1,130,037 in total value were no longer listed for the HASNA location, and the quantities on hand and dollars reconciled to the total for this location.

71. The June 23, 2023 Perpetual Inventory included more zero-quantity coils spread out over four other separate locations: FERDE, FERSO, MAINL and PREVO locations, each of which referred to an independent third-party processor: \$669,497.17 for FERDE, \$558,996.14 for FERSO, \$558,996.14 for MAINL, and \$372,346.61 for PREVO.

72. A summary of five coils at each of the four locations that now have overstated inventory values is shown below. "No Pcs" = the Number of Pieces, or coils in this facility.

Mill Tag	Location	Tag No	Weight	Value	Width	No Pcs	Gage	Product
150202	FERDE	224151	40,500	25,650.50	48	0	0.071	GALV
150203	FERDE	224152	40,550	25,660.10	48	0	0.071	GALV
150210	FERDE	224158	41,960	27,005.32	48	0	0.071	GALV
150211	FERDE	224159	42,300	27,221.02	48	0	0.071	GALV
150216	FERDE	224160	43,580	28,500.25	48	0	0.071	GALV
45900801	PREVO	223118	40,500	25,650.50	72	0	0.058	GALV
45900802	PREVO	223120	40,550	25,660.10	72	0	0.058	GALV
45900810	PREVO	223121	41,960	27,005.32	72	0	0.058	GALV
45900811	PREVO	223200	42,300	27,221.02	72	0	0.058	GALV
45900820	PREVO	223201	43,580	28,500.25	72	0	0.058	GALV
911022581	FERSO	224600	44,000	30,705.20	55	0	0.088	GALV
911022560	FERSO	224601	44,150	33,566.85	55	0	0.088	GALV
911022566	FERSO	224630	44,200	30,723.65	55	0	0.088	GALV
911022567	FERSO	224603	44,500	33,021.80	55	0	0.088	GALV
911022570	FERSO	224604	46,850	38,024.21	55	0	0.088	GALV
197800	MAINL	212013	43,526	30,705.20	60	0	0.115	GALV
197801	MAINL	212014	43,542	33,566.85	60	0	0.115	GALV
197805	MAINL	212017	43,615	30,723.65	60	0	0.115	GALV
197806	MAINL	212022	40,109	33,021.80	60	0	0.115	GALV
197600	MAINL	212023	40,120	38,024.21	60	0	0.115	GALV

73. In all, the 70 coils listed for the FERDE, PREVO, FERSO and MAINL locations added a total of \$2,159,836 to the total value of the inventory in the June 23, 2023 Perpetual Inventory. None of the zero-quantity items were listed for the HASNA location.

74. There was duplication among certain of entries for zero-quantity inventory listed for different locations. For example, the June 23, 2023 Perpetual Inventory showed \$669,497.17 worth of zero quantity inventory at the FERDE location recorded, while it recorded \$472,346.61 worth of zero quantity inventory at the PREVO location. However, a subset of the same inventory values and weights recorded for the zero-quantity inventory at the FERDE location were also recorded as being at the PREVO location, despite differences in product specifications including widths and tag numbers:

**FERDE**

Tag No	Weight	Value	Width
224151	40,500	\$ 25,650.50	48
224152	40,550	\$ 25,660.10	48
224158	41,960	\$ 27,005.32	48
224159	42,300	\$ 27,221.02	48
224160	43,580	\$ 28,500.25	48
224166	47,000	\$ 30,012.10	48
224188	47,100	\$ 31,100.23	48
224189	45,800	\$ 29,653.30	48
224194	46,950	\$ 30,200.30	48
224197	46,210	\$ 31,122.58	48
224198	43,280	\$ 30,254.21	48
224199	44,100	\$ 31,258.32	48
224202	43,980	\$ 29,658.41	48
224206	46,000	\$ 31,258.96	48
224209	45,870	\$ 32,312.32	48
223230	42,580	\$ 31,478.69	48
211588	42,700	\$ 32,636.98	48
211595	42,450	\$ 32,111.77	48
211596	42,100	\$ 34,321.23	48
211597	40,100	\$ 35,000.66	48
211598	41,000	\$ 31,478.69	48
211599	42,070	\$ 31,601.23	48

**PREVO**

Tag No	Weight	Value	Width
223118	40,500	\$25,650.50	72
223120	40,550	\$25,660.10	72
223121	41,960	\$27,005.32	72
223200	42,300	\$27,221.02	72
223201	43,580	\$28,500.25	72
223202	47,000	\$30,012.10	72
223206	47,100	\$31,100.23	72
223208	45,800	\$29,653.30	72
223209	46,950	\$30,200.30	72
223210	46,210	\$31,122.58	72
223211	43,280	\$30,254.21	72
223212	44,100	\$31,258.32	72
223220	43,980	\$29,658.41	72
223221	46,000	\$31,258.96	72
223228	45,870	\$32,312.32	72
223230	42,580	\$31,478.69	72

75. Additionally, at the FERSO, MAINL, and MISPR<sup>2</sup> locations, each location showed \$558,996.14 in zero-quantity inventory entries, and the weights and value of inventory were, as in the last example, the same between the three locations, as illustrated by the tables below:

**FERSO**

Tag No	Weight	Value	Width
224600	44,000	\$30,705.20	55
224601	44,150	\$33,566.85	55
224630	44,200	\$30,723.65	55
224603	44,500	\$33,021.80	55
224604	46,850	\$38,024.21	55
224609	47,100	\$38,041.01	55
224606	47,520	\$39,985.63	55

**MAINL**

Tag No	Weight	Value	Width
212013	43,526	\$30,705.20	60
212014	43,542	\$33,566.85	60
212017	43,615	\$30,723.65	60
212022	40,109	\$33,021.80	60
212023	40,120	\$38,024.21	60
216968	44,500	\$38,041.01	60
215647	44,650	\$39,985.63	60

<sup>2</sup> \$558,996.14 of zero-quantity inventory was listed in individual entries for the location referred to as MISPR. However, those entries were omitted from the location total for MISPR and from the total inventory listed on the June 23, 2023 Perpetual Inventory.

224610	46,300	\$37,112.36	55	215367	43,150	\$37,112.36	60
224623	45,850	\$39,582.36	55	215638	43,020	\$39,582.36	48
224625	46,500	\$37,121.36	55	215919	40,050	\$37,121.36	48
224646	44,180	\$33,562.36	55	215474	42,070	\$33,562.36	48
224647	43,650	\$32,636.98	55	215969	42,700	\$32,636.98	48
224645	42,700	\$32,111.77	55	215747	42,450	\$32,111.77	48
224696	43,690	\$36,321.25	55	215888	44,100	\$36,321.25	48
224690	45,140	\$35,000.66	55	215411	43,200	\$35,000.66	48
224688	42,750	\$31,478.69	55	215101	41,000	\$31,478.69	48

#### MISPR

Tag No	Weight	Value	Width
224505	43,526	\$30,705.20	66.8
224502	43,542	\$33,566.85	66.8
224501	43,615	\$30,723.65	66.8
224506	40,109	\$33,021.80	66.8
224510	40,120	\$38,024.21	66.8
224511	44,500	\$38,041.01	66.8
224513	44,650	\$39,985.63	66.8
224516	43,150	\$37,112.36	66.8
224519	43,020	\$39,582.36	66.8
224520	40,050	\$37,121.36	66.8
224526	42,070	\$33,562.36	66.8
224528	42,700	\$32,636.98	66.8
224531	42,450	\$32,111.77	66.8
224536	44,100	\$36,321.25	66.8
224538	43,200	\$35,000.66	66.8
224540	41,000	\$31,478.69	66.8

#### **D. The April 30, 2023, June 9, 2023, and June 16, 2023 Perpetual Inventories**

76. In addition, I reviewed the April 30, 2023 Perpetual Inventory which did not list any coils with zero quantities.

77. I also reviewed the June 9, 2023 Perpetual Inventory and the June 16, 2023 Perpetual Inventory submitted along with the weekly BBRs as of those dates. Both show the same 34 coils with zero quantities and a total value of \$1,130,037 in the HASNA location that was reported in the May 31, 2023 Perpetual Inventory.

78. In summary, overstated inventory values appear to have started with the May 31, 2023 Perpetual Inventory and the addition of \$1,130,037 at the HASNA location, and to have continued in the June 9, 2023 Perpetual Inventory and the June 16, 2023 Perpetual Inventory. Overstated inventory was almost doubled to \$2,159,836 in the June 23, 2023 Perpetual Inventory, and spread across multiple locations rather than just one location. None of the four locations with zero quantities of inventory were the largest locations in the June 23, 2023 Perpetual Inventory.

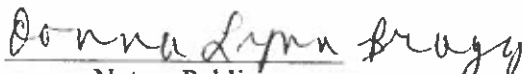
**V. I ACQUIRED THE COMERICA ACCOUNT STATEMENTS**

79. Mr. Butler provided me with certain account statements for Rapid Metals' deposit account at Comerica Bank, which I provided to Bank of America. Copies of the statements showing those amounts are attached hereto as "Exhibit G."

  
Denise Docal

Sworn to before me this

6<sup>th</sup> day of July, 2023

  
Notary Public

DONNA LYNN BRAGG  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF WAYNE  
MY COMMISSION EXPIRES Jun 25, 2025  
ACTING IN COUNTY OF Oakland

# **Exhibit A**

(Invoice 7155919 and Documents)



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

H12  
tag # sent match

# INVOICE

Invoice Number: 7155919  
Invoice Date: 4/26/2023  
Page: 1 of 1

Bill To:	Ship To:	REMIT TO:
ESSEX WELD SOLUTIONS 340 ALLEN AVE ESSEX, ONTARIO N8M 3G6	ESSEX LEAMINGTON 50 VICTORIA AVE NORTH LEAMINGTON, ONTARIO N8H 2W CANADA Phone: (519) 776-9153	7031 ORCHARD LAKE RD. SUITE #203 (NEW SUITE) WEST BLOOMFIELD, MI 48322

Cust I.D.: ESSWE Ship Via: N.M. TRANSTECH TRANS P.O. Number: 5368-11729-0  
Ship Date: 3/17/2023 Terms: Job Order No: 128610  
Due Date: 5/26/2023 FOB: LEAMINGTON, ONTARIO Salesperson: GLENN JASKULA

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
1	2.50 NOM X 60.000 X 96.000 HRB TAG#: I40587559 PART# 2.50 X 60" X 96" HRB CUST PO: 5368-11729-0	2	10,070	275.000	CWT	27,692.50
2	2.50 NOM X 60.000 X 96.000 HRB TAG#: I40587560 PART# 2.50 X 60" X 96" HRB CUST PO: 5368-11729-0	2	10,070	275.000	CWT	27,692.50
3	2.50 NOM X 60.000 X 96.000 HRB TAG#: I40587561 PART# 2.50 X 60" X 96" HRB CUST PO: 5368-11729-0	2	10,070	275.000	CWT	27,692.50
4	2.50 NOM X 60.000 X 96.000 HRB TAG#: I40587562 PART# 2.50 X 60" X 96" HRB CUST PO: 5368-11729-0	2	10,070	275.000	CWT	27,692.50
5	FREIGHT	1			LOT	371.35
Grand Totals		8	40,280			111,141.35

20-0957672  
BOL: 37523

## Disclaimer

The sole and exclusive terms and conditions of purchase and sale (the "Terms and Conditions") are available at [www.rapidmetals.com](http://www.rapidmetals.com) or upon request from Rapid Metals, LLC. It is the responsibility of Buyer to obtain a copy of Rapid Metals, LLC's Terms and Conditions. By acceptance of this order Buyer accepts the Terms and Conditions and agrees that the Terms and Conditions govern the relationship between the parties.

INVOICE TOTAL (USD): 111,141.35

FORM 100-1000

**STRAIGHT BILL OF LADING - SHORT FORM - ORIGINAL - NOT NEGOTIABLE**  
**CARRIER: UNKNOWN (SCAC: ZZZZ) Veh ID: 37523**

RECEIVED, subject to the classification and tariffs in effect on the date of the issue of this Bill of Lading

SID# 1 SHIP REF NO:

F FERROUSOUTH (9214)(035543474)  
R 38 C.R. 370  
M IUKA, MS 38852

\*\*\* Ship Tally \*\*\*  
Page 1 of 1

274760-1  
MASTER BOL NO:  
274760

Date: 03/21/23 09:38

The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, whether to the consignee or to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property ever at or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the terms and conditions of the Uniform Domestic Freight Bill of Lading set forth (1) in Official Southern, Western and Illinois Freight Classifications in effect on the date hereof, if this is a rail or a rail-water shipment, or (2) in the applicable motor carrier classification or tariff if this is a motor carrier shipment.  
Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assignee.

CONSIGNEE (146213074)  
RAPID METALS, LLC  
7031 ORCHARD LAKE RD SUITE #101  
WEST BLOOMFIELD, MI 48322

Ship Ord: 164759  
PO/Rls: 128610

WO:  
164759

SHP DUNS: 777777707

CONSIGNOR (146213074)  
RAPID METALS, LLC  
7031 ORCHARD LAKE RD SUITE #101  
WEST BLOOMFIELD, MI 48322

S  
H  
I  
P  
CALL DISPATCH

BILL FRT TO: RAPID METALS, LLC, 7031 ORCHARD LAKE RD SUITE #101, WEST BLOOMFIELD, MI, 48322  
Mode: TRUCK Nbr of Pkgs: 4 Gross Wgt: 40280 Net Wgt: 40280 Shp: COMPLETE  
BOL Comments: REL 37523 // FS 274760 // CPO 5367-11729-0  
Tally Cmmts:

Desc:

Pckg: 2 PCS PER LIFT W/ 15000# MAX // 3X3 OR 2X2 RUNEERS

Ship: FORKLIFT SIDE UNLOADING

Material ID	Cust Matl ID	Lin-Ft/Pcs	Net Wt	Actual Size(G x W x L)
140587553	4666738	2	10070 2.500	X 60.000 X 96.000
Rcpt Tag: 910868336				
Part Nbr: 2.5X60X96 HRB		Cust PO: 5368-11729-0		
140587554	4666738	2	10070 2.500	X 60.000 X 96.000
Rcpt Tag: 910868336				
Part Nbr: 2.5X60X96 HRB		Cust PO: 5368-11729-0		
140587555	4666738	2	10070 2.500	X 60.000 X 96.000
Rcpt Tag: 910868336				
Part Nbr: 2.5X60X96 HRB		Cust PO: 5368-11729-0		
140587556	4666738	2	10070 2.500	X 60.000 X 96.000
Rcpt Tag: 910868336				
Part Nbr 2.5X60X96 HRB		Cust PO: 5368-11729-0		

In:	Scheduled:	*** TARP LOAD ***	Out: TOTAL 40280	Door:
<small>Subject to Section 1 of conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement: "The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges."</small>		<small>If charges are to be prepaid, write or stamp here: "To be Prepaid"</small> <p align="center"><b>PREPAID</b></p>	<small>Received \$ To apply in prepayment of the charges on the property described hereon.</small> Agent or Cashier:	<small>Per (The signature here acknowledges only the amount prepaid.)</small> Charges Advanced \$
<small>Signature of Consignor:</small>		<small>The Florida boxes used for this shipment conform to the specifications set forth in the box master's certificate thereon and all other requirements of Consolidated Freight Classification.</small>		
<small>Shipper's imprint in lieu of stamp, not a part of bill of lading approved by the Department of Transportation.</small>		<small>This is to certify that the above named articles are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation, according to the applicable regulations of the Department of Transportation.</small>		
<small>*This bill of lading moves property under a contract of hire, and the carrier is not responsible for the loss of or damage to the property or its weight.</small>		<small>The agreed or declared value of the property is hereby specifically stated by the shipper as follows:</small>		
<small>NOTE: Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.</small>		<small>PS</small>		

Inspector: DRIVER:

DATE:

Customer:

BOL#: 274760  
S- 1000

OFFICE



# **Exhibit B**

(Invoice 7155920 and Documents)



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

\* 13, 2nd  
BOL #1  
201 Pieces  
INV. 265  
Cust #14

# INVOICE

Invoice Number: 7155920  
Invoice Date: 4/26/2023  
Page: 1 of 4

Bill To:	Ship To:	REMIT TO:
ESSEX WELD SOLUTIONS 340 ALLEN AVE ESSEX, ONTARIO N8M 3G6	ESSEX LEAMINGTON 50 VICTORIA AVE NORTH LEAMINGTON, ONTARIO N8H 2W CANADA Phone: (519) 776-9153	7031 ORCHARD LAKE RD. SUITE #203 (NEW SUITE) WEST BLOOMFIELD, MI 48322

Cust I.D.: ESSWE Ship Via.: SANDY BAY FREIGHT BR  
Ship Date: 4/05/2023 Terms:  
Due Date: 5/26/2023 FOB: LEAMINGTON, ONTARIO,

P.O. Number: 5368-11729-0  
Job Order No: 128790, 128610  
Salesperson: GLENN JASKULA

Item	Item Description	No. PCS	Weight	Price	UOM	Net Due
1	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111594 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
2	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111595 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
3	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111596 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
4	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111597 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
5	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111598 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
Sub Totals		80	23,750			39,187.50

78.383

CONTINUED:



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

# INVOICE

Invoice Number: 7155920  
Invoice Date: 4/26/2023  
Page: 2 of 4

**Bill To:**

ESSEX WELD SOLUTIONS  
340 ALLEN AVE  
ESSEX, ONTARIO N8M 3G6

**Ship To:**

ESSEX LEAMINGTON  
50 VICTORIA AVE NORTH  
LEAMINGTON, ONTARIO N8H 2W  
CANADA  
Phone: (519) 776-9153

**REMIT TO:**

7031 ORCHARD LAKE RD.  
SUITE #203 (NEW SUITE)  
WEST BLOOMFIELD, MI 48322

Cust I.D.: ESSWE Ship Via: SANDY BAY FREIGHT BR  
Ship Date: 4/05/2023 Terms:  
Due Date: 5/26/2023 FOB: LEAMINGTON, ONTARIO

P.O. Number: 5368-11729-0  
Job Order No: 128790, 128610  
Salesperson: GLENN JASKULA

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
6	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111599 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
7	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111600 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
8	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111602 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
9	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111604 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
10	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111608 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
Sub Totals		160	47,500			78,375.00

CONTINUED:



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

# INVOICE

Invoice Number: 7155920  
Invoice Date: 4/26/2023  
Page: 3 of 4

Bill To:	Ship To:	REMIT TO:
ESSEX WELD SOLUTIONS 340 ALLEN AVE ESSEX, ONTARIO N8M 3G6	ESSEX LEAMINGTON 50 VICTORIA AVE NORTH LEAMINGTON, ONTARIO N8H 2W CANADA Phone: (519) 776-9153	7031 ORCHARD LAKE RD. SUITE #203 (NEW SUITE) WEST BLOOMFIELD, MI 48322

Cust I.D.: ESSWE Ship Via: SANDY BAY FREIGHT BR  
Ship Date: 4/05/2023 Terms:  
Due Date: 5/26/2023 FOB: LEAMINGTON, ONTARIO,

P.O. Number: 5368-11729-0  
Job Order No: 128790, 128610  
Salesperson: GLENN JASKULA

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
11	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111610 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
12	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111612 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	4,750	1.65000	CWT	7,837.50
13	0.188 NOM X 60.000 X 96.000 HRB TAG#: 1111605 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	9	2,675	1.65000	CWT	4,280.00 - #4.14
14	0.188 NOM X 60.000 X 96.000 HRB TAG#: 140587557 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	5,070	1.65000	CWT	8,365.50
15	0.188 NOM X 60.000 X 96.000 HRB TAG#: 140587555 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	5,070	1.65000	CWT	8,365.50
Sub Totals		233	69,815			115,061.00

CONTINUED:



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

## INVOICE

Invoice Number: 7155920  
Invoice Date: 4/26/2023  
Page: 4 of 4

Bill To:	Ship To:	REMIT TO:
ESSEX WELD SOLUTIONS 340 ALLEN AVE ESSEX, ONTARIO N8M 3G6	ESSEX LEAMINGTON 50 VICTORIA AVE NORTH LEAMINGTON, ONTARIO N8H 2W CANADA Phone: (519) 776-9153	7031 ORCHARD LAKE RD. SUITE #203 (NEW SUITE) WEST BLOOMFIELD, MI 48322

Cust I.D.: ESSWE Ship Via.: SANDY BAY FREIGHT BR  
Ship Date.: 4/05/2023 Terms: .  
Due Date.: 5/26/2023 FOB: LEAMINGTON, ONTARIO.

P.O. Number.: 5368-11729-0  
Job Order No: 128790, 128610  
Salesperson.: GLENN JASKULA

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
16	0.188 NOM X 60.000 X 96.000 HRB TAG#: I40587556 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	5,070	1.65000	CWT	8,365.50
17	0.188 NOM X 60.000 X 96.000 HRB TAG# I40587554 PART# .1875 X 60" X 96" HRB CUST PO: 5368-11729-0	16	5,070	1.65000	CWT	8,365.50
Grand Totals		265	79,955			135,140.30


20-0957672  
BOL 37894

### Disclaimer

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INVOICE TOTAL (USD): 135,140.30

STRAIGHT BILL OF LADING - SHORT FORM - ORIGINAL - NON NEGOTIABLE

RELEASE NO: CUSTOMER PO: RAPME-202304 128790  SUPPLIER NO: MANIFEST NO:		BILL OF LADING 3036027  Page: 1 of 1
ISSUED BY: RAPID METALS 7031 ORCHARD LAKE RD STE #101 WEST BLOOMFIELD, MI 48322 Phone:	SHIP TO: RAPID METALS RELEASE FOR YOUR PICKUP CPU, MI CPU USA  Contact: Phone:	SHIP-TO INSTRUCTIONS
NAME OF CARRIER ICI CARRIERS	TRUCK NO. 266	DROP OFF NO.
DATE SHIPPED 4/05/2023	FREIGHT	F.O.B.
Subject to Section 7 of conditions of applicable bill of lading. If this shipment is to be delivered to the lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement. The carrier shall not make delivery of the shipment without payment of freight and other lawful charges.		

SO #: -

PO#: 128790

PART #: 1.1875 X 60 X 96 HRB

PART DESC : 1.1875 X 60.00 X 96.00 HRB

TAG #	STO TAG #	MILL TAG #	HEAT NO.	# PCS	WEIGHT IN KGs			WEIGHT IN LBS		
					NET	TARE	GROSS	NET	TARE	GROSS
1111594	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111595	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111596	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111597	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111598	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111599	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111600	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111602	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111604	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111605	1104264-A01-A01415129		843Y68113	9	1,213	18	1,231	2,675	40	2,715
1111608	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111610	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
1111612	1104264-A01-A01415129		843Y68113	16	2,155	18	2,173	4,750	40	4,790
SUBTOTALS		13		201	27,073	234	27,307	59,675	520	60,195
TOTALS		13		201	27,073	234	27,307	59,675	520	60,195
					(WEIGHT IN KGs)			(WEIGHT IN LBS)		

Special Instructions:

RAPME

LOAD MUST BE TARPED & PROPERLY SECURE TO MEET FEDERAL MOTOR CARRIER SAFETY REGULATIONS  
 ALL DRIVERS MUST WEAR HARD HAT, SAFETY BOOTS AND SAFETY GLASSES IN THE PLANT

THIS SHIPMENT IS  
 CLASS 50 - STEEL

MAXIMUM LEGAL PAYLOAD  
 lbs  
 I CERTIFY THE ABOVE WEIGHT'S CORRECT

DRIVER

AGENT

ESDATA-FC-487.46

# Exhibit C

(Invoice 7155584 and Documents)





7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

# INVOICE

Invoice Number: 7155584  
Invoice Date: 4/05/2023  
Page: 1 of 1

Bill To:	Ship To:	REMIT TO:
MIAMI VALLEY STEEL SERVICE INC 201 FOX DR. PIQUA, OH 45356		7031 ORCHARD LAKE RD. SUITE #203 (NEW SUITE) WEST BLOOMFIELD, MI 48322

Cust I.D.: MIAMI Ship Via:  
Ship Date: 4/05/2023 Terms: N30  
Due Date: 5/05/2023 FOB: CPU

P.O. Number: 093501  
Job Order No: 128314  
Salesperson: VICTOR JOHNSON

Item	Item Description	No./PCS	Weight	Price	UOM	Net Due
1	0.043 MIN X 60.000 X CL CR TAG#: 223563 CUST PO: 093501	1	37,440	60.9500	CWT	22,819.68
2	0.043 MIN X 60.000 X CL CR TAG#: 223564 CUST PO: 093501	1	37,180	60.9500	CWT	22,661.21
3	0.043 MIN X 60.000 X CL CR TAG#: 223567 CUST PO: 093501	1	47,680	60.9500	CWT	29,060.96
4	0.043 MIN X 60.000 X CL CR TAG#: 223568 CUST PO: 093501	1	48,120	60.9500	CWT	29,329.14
Grand Totals		4	170,420			103,870.99

20-0957672  
BOL: 37915

## Disclaimer

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INVOICE TOTAL (USD): 103,870.99

psdata cc invoice.9



UNITED ONE

639751

ALPINE STEEL PROCESSING, LLC  
9301 CENTRAL  
DETROIT, MI 48204

RAPME

Page# 1  
SHIP DATE 4/13/23

SOLD TO: RAPID METALS, LLC.  
7031 ORCHARD LAKE RD STE 303  
WEST BLOOMFIELD, MI. 48322

SHIP TO: RAPID METALS, LLC.  
7031 ORCHARD LAKE RD STE 303  
WEST BLOOMFIELD, MI. 48322

RAPME

4/13/23

TAG#	SKIDS	PIECES	WEIGHT	TARE	GROSS	HEAT#	MILL COIL#
POB						SOB	
223564	1	1	37180		37180	60.25 X COIL	TDJ1514
SUBTOTAL->	1	1	37180		37180		
223568	1	1	48120		48120	60.25 X COIL	TDJ5815
SUBTOTAL->	1	1	48120		48120		
TOTAL->	2	2	85300		85300		

AS PC

DRIVER SIGNATURE-----

PLANT SIGNATURE-----

(10F10-0)

\*\*\* ALL MATERIAL MUST BE TARPED \*\*\*

THE PROPERTY ABOVE IS IN APPARENT GOOD ORDER, EXCEPT AS NOTED. IT IS THE RESPONSIBILITY OF THE DRIVER AND THE COMPANY THEY REPRESENT TO ENSURE THE VEHICLE PROVIDED MEETS THE REQUIREMENTS FOR THE LOAD, IS PROPERLY SECURED AND IS ROUTINELY INSPECTED AFTER LEAVING OUR FACILITY.

#9 Bal

# **Exhibit D**

(Invoice 7155344 and Documents)



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

# INVOICE

Invoice Number: 7155344  
Invoice Date.....: 3/22/2023  
Page: 1 of 2

**Bill To:**

UNIVERSAL METALS LLC  
805 CHICAGO ST.  
TOLEDO, OH 43611

**Ship To:****REMIT TO:**

7031 ORCHARD LAKE RD.  
SUITE #203 (NEW SUITE)  
WEST BLOOMFIELD, MI 48322

Cust ID: UNIME Ship Via  
Ship Date: 3/21/2023 Terms: N30  
Due Date: 4/21/2023 FOB: CPU

P.O. Number: 34504  
Job Order No: 128674  
Salesperson: DAN BUTLER

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
1	0.047 NOM X 60.000 X CL GALV TAG#: 5300441 CUST PO: 34504	1	45,000	62.9500	CWT	28,327.50
2	0.047 NOM X 60.000 X CL GALV TAG#: 5300448 CUST PO: 34504	1	40,200	62.9500	CWT	25,305.90
3	0.047 NOM X 60.000 X CL GALV TAG#: 5300999 CUST PO: 34504	1	44,080	62.9500	CWT	27,748.36
4	0.047 NOM X 60.000 X CL GALV TAG#: 5301016 CUST PO: 34504	1	45,480	62.9500	CWT	28,629.66
5	0.047 NOM X 60.000 X CL GALV TAG#: 5301003 CUST PO: 34504	1	42,840	62.9500	CWT	26,967.78
6	0.047 NOM X 60.000 X CL GALV TAG#: 5301009 CUST PO: 34504	1	45,940	62.9500	CWT	28,919.23
7	0.047 NOM X 60.000 X CL GALV TAG#: 5301011 CUST PO: 34504	1	45,040	62.9500	CWT	28,352.68
Sub Totals		7	308,580			194,251.11

CONTINUED:

Invoice #6 pg 1 of 2



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

# INVOICE

Invoice Number: 7155344  
Invoice Date: 3/22/2023  
Page: 2 of 2

**Bill To:**

UNIVERSAL METALS LLC  
805 CHICAGO ST.  
TOLEDO OH 43611

**Ship To:****REMIT TO:**

7031 ORCHARD LAKE RD.  
SUITE #203 (NEW SUITE)  
WEST BLOOMFIELD, MI 48322

Cust I D.: UNIME Ship Via:  
Ship Date: 3/21/2023 Terms: N30  
Due Date: 4/21/2023 FOB: CPU

P.O. Number: 34504  
Job Order No: 128674  
Salesperson: DAN BUTLER

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
8	0.047 NOM X 60.000 X CL GALV TAG#: 5301020 CUST PO: 34504	1	48.320	62.9500	CWT	30,417.44
9	0.047 NOM X 60.000 X CL GALV TAG#: 5303088 CUST PO: 34504	1	46.680	62.9500	CWT	29,385.06
10	0.047 NOM X 60.000 X CL GALV TAG#: 5303092 CUST PO: 34504	1	45.900	62.9500	CWT	28,894.05
Grand Totals		10	449.480			282,947.66

20-0957672  
BOL: 37617

**Disclaimer**

The sole and exclusive terms and conditions of purchase and sale (the "Terms and Conditions") are available at [www.rapidmetals.com](http://www.rapidmetals.com) or upon request from Rapid Metals, LLC. It is the responsibility of Buyer to obtain a copy of Rapid Metals, LLC's Terms and Conditions. By acceptance of this order, Buyer accepts the Terms and Conditions and agrees that the Terms and Conditions govern the relationship between the parties.

INVOICE TOTAL (USD): 282,947.66

psdata.cc.invoice.9

#6 Page 202  
23-46098-mlo

Doc 59-2

Filed 08/01/23

Entered 08/01/23 12:28:37

Page 44 of 58

Document Submitted for Filing to MI Oakland County 6th Circuit Court.

Mill Steel Company 7824  
CERTIFICATION

Page: 1

Invoice: 823080446  
Date: 03/21/23

Ship-To: (7824)  
UNIVERSAL METALS, LLC -  
805 CHICAGO ST TOLEDO OH  
43611

Ordered By: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Bill-To: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Order	Rls	Ert	Customer P.O.	Gauge	Tolerance	Quality
423080032	1	COL	128674	.0470	+.0020	HDNO

Date	Time	Customer Part#	Width	Tolerance	Length	#Lifts
3/21/23	16:04:11	.047 X 60	60.000	+.9999		10

Coated Weight: 60.000 - 90.000 G/M2

Engineering Material Specification:  
Type: SPOT BUY Desc: Cert Approved

722265034-2 Alt: 5300441 Mill Order: Footage: 4,669

TMW: 0 lbs Net: 45,000 lbs Tare: 0 lbs Gross: 45,000 lbs

C: .030	Mn: .180	P: .006	S: .010	Si: .013	Al: .040	Cr: .045
Ni: .020	Cu: .057	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .008
	Sn: .003			Fe: .000	Mg: .000	Zn: .000

Tensile: ksi Yield: ksi ASTM Elg: % NValue: Rockwell(B)  
JIS Elg: % RValue:  
Heat: 708869

722265053-2 Alt: 5300448 Mill Order: Footage: 4,174

TMW: 0 lbs Net: 40,200 lbs Tare: 0 lbs Gross: 40,200 lbs

C: .030	Mn: .180	P: .006	S: .010	Si: .012	Al: .041	Cr: .046
Ni: .024	Cu: .058	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .009
	Sn: .003			Fe: .000	Mg: .000	Zn: .000

Tensile: ksi Yield: ksi ASTM Elg: % NValue: Rockwell(B)  
JIS Elg: % RValue:  
Heat: 708867

722269139-2 Alt: 5300599 Mill Order: Footage: 4,574

TMW: 0 lbs Net: 44,080 lbs Tare: 0 lbs Gross: 44,080 lbs

C: .030	Mn: .180	P: .006	S: .010	Si: .012	Al: .041	Cr: .046
Ni: .024	Cu: .058	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .009
	Sn: .003			Fe: .000	Mg: .000	Zn: .000

Tensile: ksi Yield: ksi ASTM Elg: % NValue: Rockwell(B)  
JIS Elg: % RValue:  
Heat: 708867

POOL # page 1 of 4

Mill Steel Company  
CERTIFICATION

7824

Page: 2

Invoice: 823080446  
Date: 03/21/23

Ship-To: (7824)  
CAPACITY WAREHOUSE  
17065 HESS AVENUE  
MELVINDALE, MI 48122

Ordered By: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Bill-To: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Order	Rls	Frt	Customer P.O.	Gauge	Tolerance	Quality
423081032	1	COL	129674	.0470	+.0020	HDNO

Date	Time	Customer Part#	Width	Tolerance	Length	#Lifts
3/21/23	16:04:11	.047 X 60	60.000	+.9999		10

Coated Weight: 60.000 - 90.000 G/M2

722269140-2      Alt: 5301016      Mill Order:      Footage: 4,737

TMW: 0 lbs      Net: 45,480 lbs      Tare: 0 lbs      Gross: 45,480 lbs

C: .030	Mn: .180	P: .003	S: .009	Si: .009	Al: .030	Cr: .030
Ni: .025	Cu: .073	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .007
		Sn: .004		Fe: .000	Mg: .000	Zn: .000

Tensile:      ksi      Yield:      ksi      ASTM Elg:      % NValue:      Rockwell(B)

JIS Elg:      % RValue:

Heat: 854111

722269141-2      Alt: 5301003      Mill Order:      Footage: 4,447

TMW: 0 lbs      Net: 42,840 lbs      Tare: 0 lbs      Gross: 42,840 lbs

C: .030	Mn: .180	P: .006	S: .010	Si: .013	Al: .040	Cr: .045
Ni: .020	Cu: .057	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .008
		Sn: .003		Fe: .000	Mg: .000	Zn: .000

Tensile:      ksi      Yield:      ksi      ASTM Elg:      % NValue:      Rockwell(B)

JIS Elg:      % RValue:

Heat: 708869

722269142-2      Alt: 5301009      Mill Order:      Footage: 4,784

TMW: 0 lbs      Net: 45,940 lbs      Tare: 0 lbs      Gross: 45,940 lbs

C: .030	Mn: .180	P: .006	S: .010	Si: .013	Al: .040	Cr: .045
Ni: .020	Cu: .057	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .008
		Sn: .003		Fe: .000	Mg: .000	Zn: .000

Tensile:      ksi      Yield:      ksi      ASTM Elg:      % NValue:      Rockwell(B)

JIS Elg:      % RValue:

Heat: 708869

BOL #page 2 of 4

Mill Steel Company  
CERTIFICATION

7824

Page: 3

Invoice: 823080446  
Date: 03/21/23

Ship-To: (7824)  
CAPACITY WAREHOUSE  
17065 HESS AVENUE  
MELVINDALE, MI 48122

Ordered By: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Bill-To: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Order	Rls	Frt	Customer P.O.	Gauge	Tolerance	Quality
423090032	1	COI	128674	.0470	+.0020	HDNO

Date	Time	Customer Part#	Width	Tolerance	Length	#Lifts
3/21/23	12:04:11	.047 X 60	60.000	+.9999		10

Coated Weight: 60.000 - 90.000 G/M2

722269143-2      Alt: 5301011      Mill Order:      Footage: 4,666

TMW: 0 lbs      Net: 45,040 lbs      Tare: 0 lbs      Gross: 45,040 lbs

C: .030	Mn: .180	P: .003	S: .002	Si: .003	Al: .030	Cr: .030
Ni: .025	Cu: .073	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .007
		Sn: .004		Fe: .000	Mg: .000	Zn: .000

Tensile:      ksi      Yield:      ksi      ASTM Elg:      NValue:      Rockwell (B)  
JIS Elg:      RValue:  
Heat: 854111

722269144-2      Alt: 5301020      Mill Order:      Footage: 5,023

TMW: 0 lbs      Net: 48,320 lbs      Tare: 0 lbs      Gross: 48,320 lbs

C: .030	Mn: .190	P: .011	S: .010	Si: .011	Al: .044	Cr: .051
Ni: .021	Cu: .051	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .008
		Sn: .003		Fe: .000	Mg: .000	Zn: .000

Tensile:      ksi      Yield:      ksi      ASTM Elg:      NValue:      Rockwell (B)  
JIS Elg:      RValue:  
Heat: 708971

722278059-2      Alt: 5303083      Mill Order:      Footage: 4,845

TMW: 0 lbs      Net: 46,680 lbs      Tare: 0 lbs      Gross: 46,680 lbs

C: .030	Mn: .180	P: .006	S: .010	Si: .013	Al: .040	Cr: .045
Ni: .020	Cu: .057	Ti: .002	V: .002	Nb: .002	B: .000	Mo: .008
		Sn: .003		Fe: .000	Mg: .000	Zn: .000

Tensile:      ksi      Yield:      ksi      ASTM Elg:      NValue:      Rockwell (B)  
JIS Elg:      RValue:  
Heat: 708869

BDL #6 pg 384

Mill Steel Company  
CERTIFICATION

7824

Page: 4

Invoice: 823080446  
Date: 03/21/23

Ship-To: (7824)  
CAPACITY WAREHOUSE  
17065 HESS AVENUE  
MELVINDALE, MI 48122

Ordered By: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Bill-To: (11825)  
RAPID METALS, LLC (W)  
7031 ORCHARD LAKE RD #101  
WEST BLOOMFIELD, MI 48322

Order	Rls	Frt	Customer P.O.	Gauge	Tolerance	Quality
423080032	1	CCL	128674	.0470	±.0020	HDNO

Date	Time	Customer Part#	Width	Tolerance	Length	#Lifts
3/21/23	16:04:11	.047 X 60	60.000	±.9999		10

Coated Weight: 60.000 - 90.000 G/M2

722278060-2      Alt: 5303092      Mill Order:      Footage: 4,770

TMW: 0 lbs      Net: 45,900 lbs      Tare: 0 lbs      Gross: 45,900 lbs

C: .030	Mn: .187	P: .010	S: .011	Si: .012	Al: .046	Cr: .053
Ni: .020	Cu: .051	Ti: .002	V: .002	Nb: .002	B: .001	Mo: .007
	Sb: .006	Sn: .007		Fe: .000	Mg: .000	Zn: .000

Tensile: 50.9 ksi      Yield: 40.0 ksi      ASTM Elg: 31.7 %      NValue: .195      Rockwell(B) 59

JIS Elg: 35.9 %      RValue:

Heat: 708871

\*\*\* TOTAL \*\*\*      Net: 449,480 lbs      Tare: 0 lbs      Gross: 449,480 lbs

Lift Summary

Tag#	Cnt	Net	Tare	Gross
722265034-2	1	45,000 lbs	0 lbs	45,000 lbs
722265053-2	1	40,200 lbs	0 lbs	40,200 lbs
722269139-2	1	44,080 lbs	0 lbs	44,080 lbs
722269140-2	1	45,480 lbs	0 lbs	45,480 lbs
722269141-2	1	42,840 lbs	0 lbs	42,840 lbs
722269142-2	1	45,940 lbs	0 lbs	45,940 lbs
722269143-2	1	45,040 lbs	0 lbs	45,040 lbs
722269144-2	1	48,320 lbs	0 lbs	48,320 lbs
722278059-2	1	46,680 lbs	0 lbs	46,680 lbs
722278060-2	1	45,900 lbs	0 lbs	45,900 lbs

Transferred Ownership To Universal Metals - Toledo

BOL #6 pag 4 of 4



# **Exhibit E**

(Invoice 7155943 and Documents)



7031 ORCHARD LAKE RD.  
SUITE #203  
WEST BLOOMFIELD, MI 48322  
Phone: (248) 855-9100

# INVOICE

Invoice Number: 7155943  
Invoice Date: 4/27/2023  
Page: 1 of 1

Bill To:	Ship To:	REMIT TO:
VENTURE STEEL DETROIT 3600 MILITARY ST. DETROIT, MI 48210		7031 ORCHARD LAKE RD. SUITE #203 (NEW SUITE) WEST BLOOMFIELD, MI 48322

Cust I.D.: VENDE Ship Via:  
Ship Date: 4/27/2023 Terms:  
Due Date: 5/27/2023 FOB: CPU

P.O. Number: 82620  
Job Order No: 128314  
Salesperson: VICTOR JOHNSON

Item	Item Description	No PCS	Weight	Price	UOM	Net Due
1	0.045 MIN X 60.000 X CL CR TAG#: 223643 CUST PO: 82620	1	46,370	58.5000	CWT	27,126.45
2	0.045 MIN X 60.000 X CL CR TAG#: 223688 CUST PO: 82620	1	44,570	58.5000	CWT	26,073.45
3	0.045 MIN X 60.000 X CL CR TAG#: 223708 CUST PO: 82620	1	46,430	58.5000	CWT	27,161.55
4	0.045 MIN X 60.000 X CL CR TAG#: 223709 CUST PO: 82620	1	46,820	58.5000	CWT	27,389.70
5	0.044 MIN X 60.000 X CL CR TAG#: 223614 CUST PO: 82620	1	48,000	58.5000	CWT	28,080.00
Grand Totals		5	232,190			135,831.15

20-0957672  
BOL: 38396

## Disclaimer

The sole and exclusive terms and conditions of purchase and sale (the "Terms and Conditions") are available at [www.rapidmetals.com](http://www.rapidmetals.com) or upon request from Rapid Metals, LLC. It is the responsibility of Buyer to obtain a copy of Rapid Metals, LLC's Terms and Conditions. By acceptance of this order, Buyer accepts the Terms and Conditions and agrees that the Terms and Conditions govern the relationship between the parties.

INVOICE TOTAL (USD): 135,831.15

psdata cc invoice 9

JPCR624

638857

CURS

ALPINE STEEL PROCESSING, LLC  
9301 CENTRAL  
DETROIT, MI 48204

RAPME

Page# 1  
SHIP DATE 4/28/23

SHIP TO: RAPID METALS, LLC.  
7031 ORCHARD LAKE RD STE 303  
WEST BLOOMFIELD, MI. 48322

SHIP TO: RAPID METALS, LLC.  
7031 ORCHARD LAKE RD STE 303  
WEST BLOOMFIELD, MI. 48322

REL38396

TAG#	SKIDS	PIECES	WEIGHT TARE	GROSS	WEATH	MILL COIL#
PO#					SO#	
		CR	.0450		60.37500 X COIL	
223708	1	1	46430	46430		TDJ7568
SUBTOTAL ->	1	1	46430	46430		
<hr/>						
		CR	.0450		60.37500 X COIL	
223709	1	1	46820	46820		TDJ7569
SUBTOTAL ->	1	1	46820	46820		
TOTAL ->	2	2	93250	93250		

DRIVER SIGNATURE

PLANT SIGNATURE

(10F10-3)

\* \* \* ALL MATERIAL MUST BE TARPED \* \* \*

THE PROPERTY ABOVE IS IN APPARENT GOOD ORDER, EXCEPT AS NOTED. IT IS THE RESPONSIBILITY OF THE DRIVER AND THE COMPANY THEY REPRESENT TO ENSURE THE VEHICLE PROVIDED MEETS THE REQUIREMENTS FOR THE LOAD, IS PROPERLY SECURED AND IS ROUTINELY INSPECTED AFTER LEAVING OUR FACILITY.

JP7637

638863

ALPINE STEEL PROCESSING, LLC  
9301 CENTRAL  
DETROIT, MI 48204

RAPID

Page# 1  
SHIP DATE 4/28/23

SHIP TO: RAPID METALS, LLC.  
7031 ORCHARD LAKE RD STE 303  
WEST BLOOMFIELD, MI. 48322

SHIP TO: RAPID METALS, LLC.  
7031 ORCHARD LAKE RD STE 303  
WEST BLOOMFIELD, MI. 48322

REL-18195

TAGE	SKIDS	PIECES	WEIGHT TARE	GROSS	WEATH	MILL COIL#
FOR					SO#	
223614	1	1	48000	48000	60.25 X COIL	TDJ3073
SUBTOTAL >	1	1	48000	48000		
223686	1	1	44570	44570	50.62500 X COIL	TDJ7567
SUBTOTAL >	1	1	44570	44570		
TOTAL >	2	2	92570	92570		

DRIVER SIGNATURE

PLANT SIGNATURE

\* \* \* ALL MATERIAL MUST BE TARPED \* \* \*

THE PROPERTY ABOVE IS IN APPARENT GOOD ORDER, EXCEPT AS NOTED. IT IS THE RESPONSIBILITY OF THE DRIVER AND THE COMPANY THEY REPRESENT TO ENSURE THE VEHICLE PROVIDED MEETS THE REQUIREMENTS FOR THE LOAD, IS PROPERLY SECURED AND IS ROUTINELY INSPECTED AFTER LEAVING OUR FACILITY.

# **Exhibit F**

(July 2, 2023 Email from Kalliomaa)



Denise Docal &lt;denisedocal@d4fieldexams.com&gt;

**Rapid Metals LLC Inventory Test Count (6/30/2023)**

1 message

kurtkalliomaa@kckallio.com &lt;kurtkalliomaa@kckallio.com&gt;

Sun, Jul 2, 2023 at 11:41 AM

To: Denise Docal &lt;denisedocal@d4fieldexams.com&gt;

Denise,

At the request of Bank of America, I arrived at Hascall Steel Company's Nashville, TN facility the morning of 6/30/2023 for the purpose of verifying Bank of America's inventory collateral owned by borrower, Rapid Metals, LLC. Hascall Steel Co. stores and processes steel coils on behalf of Rapid Metals, LLC.

**My goal was two-fold:**

First, I was requested to confirm the status of 34 specific coils of steel, the details of which were provided to me prior to my arrival at Hascall (see attached listing). If the 34 coils were no longer in the possession of Hascall in Nashville, I was to determine when the coils were shipped out of the facility. Management advised the coils were not in the possession of Hascall-Nashville. A review of random mill tags relating to these 34 coils was performed by the plant manager, Rob Carnahan, indicating many were never in the possession of Hascall-Nashville. While some were in Hascall's possession at one time, that was 1 ½ to 2 years prior. Mr. Carnahan confirmed none had been on site in Nashville over the past 1 ½ to 2 years.

Second, I was to randomly select a sample of steel coils to verify as being on-site at Hascall-Nashville. This was completed without exception, the details of which will be provided to you Monday morning, the 3<sup>rd</sup>.

Thanks,

Kurt Kalliomaa

KCKALLIO, LLC

404.626.5619

 **34 Coils.xlsx**  
14K

# **Exhibit G**

(April and May 2023 Comerica Statements)

80144



RAPID METALS LLC  
7031 ORCHARD LAKE RD  
STE 203  
W BLOOMFIELD MI 48322-3656

**Small Business Checking  
statement**

April 1, 2023 to April 30, 2023  
Account number [REDACTED] 3507

**Account summary**

<b>Beginning balance on April 1, 2023</b>	<b>\$239,825.60</b>
Plus deposits	
Electronic deposits	\$2,219,769.95
Less withdrawals	
Checks	-\$620,000.00
Electronic (EFT) withdrawals	-\$1,410,906.39
Other withdrawals	-\$9,910.00
<u>Fees and service charges</u>	<u>-\$8.50</u>
<b>Ending balance on April 30, 2023</b>	<b>\$418,770.66</b>

**To contact us**

Call  
(800) 643-4418  
Hearing impaired (TDD 800 822-6546)

Visit our web site  
[www.comerica.com](http://www.comerica.com)

**Write to us**  
COMERICA BANK  
PO BOX 75000  
DETROIT, MI 48275-8144

**Important information**

The Account Balance Fee for this statement  
period for this account is \$0.00/\$1,000.

**Thank you**

Document Submitted for Filing to MI Oakland County 6th Circuit Court.



**Small Business Checking statement**  
April 1, 2023 to April 30, 2023

**Small Business Checking account details:** [REDACTED] 3507

**Electronic deposits this statement period**

Date	Amount	Activity	Reference numbers	
			Customer	Bank
Apr 04	13,169.16	M. D. Metals, IN ACH Pmt 230404 11015235347		868
Apr 05	36,730.00	Mmc Misc Cash Disb Rapid Metals LI		225
Apr 07	22,555.68	Priefert Mfg Corp Pay V-021290		469
Apr 11	47,016.46	M. D. Metals, IN ACH Pmt 230411 11015829099		034
Apr 11	28,176.00	Wire # 003585 Org Davis Gate & W Fed # 000230		489
Apr 14	112,364.20	M. D. Metals, IN ACH Pmt 230414 11016202193		300
Apr 14	500,000.00	Valiant Steel & Equipment Inv # 7154		869
Apr 14	22,774.35	Priefert Mfg Corp Pay V-021290		429
Apr 18	49,074.00	Wire # 004737 Org Davis Gate & W Fed # 000438		510
Apr 18	21,471.25	Mvss 1791 Mvspayment Rapme		777
Apr 20	32,782.97	Amg Resources Check 230419 Cw16500		784
Apr 20	1,232.07	Scott Steel Lic Vendor 1 Rm		606
Apr 21	103,909.24	I.E.S. Sales & Service Corp Paymt44587		415
Apr 21	90,487.50	Priefert Mfg Corp Pay V-021290		257
Apr 25	34,570.00	Mvss 1791 Mvspayment Rapme		948
Apr 26	69,980.08	Scott Steel Lic Vendor 1 Rm		391
Apr 26	365,250.24	Advance Steel Co. ACH Pmt 11665098911		102
Apr 30	68,226.75	Royal Canadian Steel Co. ACH Vendor CDN		587
Apr 30	600,000.00	Valiant Steel & Equipment Inv # 7155		869

**Total Electronic Deposits: \$2,219,769.95**

**Total Number of Electronic Deposits: 19**

**Checks paid this statement period**

\* Symbol indicates a break in check number sequence

# Symbol indicates an original item not enclosed

@ Symbol indicates a break in check number sequence and an original item not enclosed

Check Number	Amount	Date Paid	Bank Reference Number	Check Number	Amount	Date Paid	Bank Reference Number
#15221	-200,000.00	Apr 03	[REDACTED] 439	@15224	-120,000.00	Apr 17	[REDACTED] 753
#15222	-100,000.00	Apr 13	[REDACTED] 010	#15225	-200,000.00	Apr 25	[REDACTED] 701

**Total checks paid this statement period: -\$620,000.00**

**Total number of checks paid this statement period: 4**

**Electronic withdrawals this statement period**

Date	Amount (\$)	Activity	Reference numbers	
			Customer	Bank
Apr 03	-598.44	Capital One Auto Directpay		565
Apr 05	-27,703.74	Paychex Eib Invoice 230405 X01773100001981		088
Apr 11	-23,255.01	Paychex Eib Invoice 230411 X01843000001408		706
Apr 18	-25.00	Paychex Eib Invoice 230418 X01943300000356		163
Apr 19	-6.95	Comerica Online Billingfee Ckf148688831pos		146
Apr 19	-23,255.01	Paychex Eib Invoice 230419 X01952700001360		955
Apr 26	-23,255.01	Paychex Eib Invoice 230426 X02043600001814		964
Apr 26	-1,312,807.23	Steel Dynamics Sinton Corp PayX03021475991		489

**Total Electronic Withdrawals: -**

**\$1,410,906.39**

**Total Number of Electronic Withdrawals: 8**

**Small Business Checking** statement  
April 1, 2023 to April 30, 2023

**Small Business Checking:** [REDACTED] 3507

**Other withdrawals this statement period**

Date	Amount (\$)	Activity
Apr04	-9,910.00	Withdrawal

Bank  
reference  
number  
[REDACTED] 875

**Total Other Withdrawals: -\$9,910.00**

**Total Number of Other Withdrawals: 1**

**Fees and service charges this statement period**

Date	Amount (\$)	Activity
Apr 13	-8.50	Service Charge

Bank  
reference  
number  
[REDACTED] 176

**Total Fees and Service Charges: -\$8.50**

**Total Number of Fees and Service Charges: 1**

**\$ Lowest daily balance**

Your lowest daily balance this statement period was **\$25,997.21**  
on April 13, 2023.